

FISCAL NOTE

HB 2216 - SB 2150

March 19, 2007

SUMMARY OF BILL: Authorizes refueling stations along Tennessee's major highways to be eligible for grants awarded by the Department of Transportation (TDOT) for rendering financial assistance for capital costs of purchasing, preparing, and installing fuel storage tanks and fuel pumps for biofuels. Authorizes TDOT to establish a new grant program to render financial assistance to political subdivisions of the state and to public colleges and universities to increase the number of fleet vehicles using alternative fuels. Authorizes the Department of Agriculture to establish a new grant program for public and private research for converting Tennessee agriculture products into alternative fuels and for determining the production capabilities needed to deliver alternative fuels to Tennessee consumers.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures – Exceeds \$22,235,000 – One-Time
\$102,000 Recurring**

Assumptions:

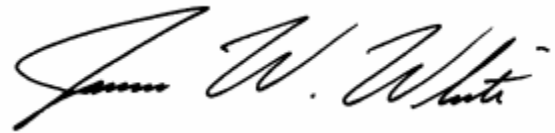
- No funding source has been identified for the grants proposed in this legislation.
- According to TDOT, and based from the number of refueling stations along Tennessee highways and the current cost of installing fuel tanks, pumps, and piping, the department would require approximately \$10,000,000 in grant funding for rendering financial assistance for capital costs of such projects.
- According to TDOT, the department would require an additional \$12,225,000 in grant funding to increase the number of alternative fuel vehicles utilized within local governments and public colleges and universities.
- One (1) additional administrative position in TDOT.
- According to the Department of Agriculture (DOA), at least \$10,000 in grant funding would be required to implement the grant program proposed for the department.
- One (1) additional administrative position in DOA.

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- All grant funding is considered one-time expenditures.
- The increase to recurring expenditures related to the two additional positions is estimated to be \$102,000 per year.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive, flowing style with a large initial "J" and "W".

James W. White, Executive Director